

Problems and Needs Narrative

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Saugus Charter Commission



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The Saugus Charter Commission hereby presents to the community the problems and needs it has identified with the current structure of Saugus town government. Each problem / need presented is supported with evidence obtained after five months of investigation consisting of nineteen public meetings, three public hearings, department head and appointed board interviews, as well as a campaign of [public outreach](#).

The problem / need identification phase will now be followed by a [research phase](#) whereby the charter commission will examine governmental structures of [other communities](#) within and outside of Massachusetts to learn how others have addressed the problems / needs we have identified. This phase will continue until the end of July 2008.

There is a need to update the [existing charter language](#). There are numerous instances of language and provisions that are [outdated and confusing](#). As we go forward into the research phase of our work, we are aware that there is a concern that any proposed [government structure](#) not result in decision making that is subject to the influence of special interest, particularly in the area of zoning and land use. This concern needs to be addressed no matter what the charter commission decides to propose.

The problems we have identified are presented within the context of the existing governmental structure. In doing so, we are in no way suggesting that revisions to the current structure would [best address the matters identified](#).

The problems we have identified can be placed into six distinctive categories:

- I. Elections – Term of Office – Vacancies**
- II. Accountability and Public Policy**
- III. Town Meeting**
- IV. Finance Committee – Appropriations – Budget**
- V. Town Manager**
- VI. Appointed Boards – Commissions – Human Resources**

I. ELECTIONS – TERM OF OFFICE - VACANCIES

Most often heard by the charter commission is the need to create a system of staggered terms for elected officials. This has been consistently advocated by former and current officials as well as state officials and an explicit requirement of M.G.L. [Ch. 43B S 20\(d\)](#) that states “*the members of multiple member bodies shall serve for terms which, as nearly as possible, expire in different years.*”

By not having staggered elections, competition and conflict is encouraged. In the last five elections a majority of the elected selectmen and school committee members obtained office with a minority of those who voted. [Blank votes](#) outnumber the candidate with the most votes by margins of up to 3:1. The average voter uses only 2.5 of the 5 available votes. Such a system of competition mixed with the practice of having the top vote getter becoming chairman does not engender cooperation and collaboration among newly elected boards.

We also believe that the process and scope for recalling elected officials should be examined. The current process only applies to the school committee and the selectmen. Town meeting members cannot be recalled. The stated requirement is to obtain 25% of registered voter signatures in twenty-five (25) days to recall an at large office holder appears to be excessive. We plan to further investigate balancing recall requirements, staggered terms, and length of terms for elected office holders.

The inconsistent process for filling midterm vacancies for the selectmen and school committee should also be resolved. Length of terms for elected officials should be researched to determine if longer terms of office would yield a more effective government.

II. ACCOUNTABILITY / PUBLIC POLICY

The current structure of Saugus government has resulted in public policy being largely established by appointed officials. Relative to the budget, the town manager and the finance committee have the most influence on the levels of budget allocation between and within departments and among programs.

Past and present town meeting members were candid in sharing their reliance on the appointed finance committee that in turn relies on the appointed manager as almost a sole source to provide documentation and analysis of financial issues. Testimony of former and current selectmen, the town accountant, and an analysis of meeting minutes indicate a *de minimus* role for the selectmen in the establishment and oversight of the budget. We have learned the role of the school committee in the budget process is limited and it is not uncommon for the recommended budget of the school committee to be presented after the selectmen recommend the total town budget to the finance committee. Clearly, the journey of the Saugus budget is being driven most by those appointed rather than elected. Past and present elected officials have shared their frustration with the lack of access and involvement to this process.

The current charter also places sole authority for the leasing of town property in the office of the town manager. No elected body is required to approve any long-term lease of town owned property, including buildings and recreational space. We also believe that land use policy and regulation is a matter of public policy. The role of elected officials in selecting members of boards and commissions that can impact land use is limited to confirmation of appointees nominated by the town manager.

Citizens have expressed their expectations that their vote will have clear linkage to community policy, budget allocation, and accountability. Elected officials have shared their frustration about their inability to meet citizen expectations. We believe a clearer relationship between elected officials and public policy is possible while maintaining the benefits of appointed expertise.

III. TOWN MEETING

Saugus Town Meeting is the legislature of Saugus. It has the sole authority to appropriate or transfer funds, establish by-laws, accept enabling legislation, petition the state and borrow funds. Although it is the smallest [representative town meeting in Massachusetts](#) with just 50 members, it still is subject to those laws and exemptions that apply to all town meetings.

Other than the annual town meeting in May, the Saugus Town Meeting is called into session [by a vote of the selectmen](#). In recent years town meetings have been called into session with increasing frequency. The town clerk has informed us that in addition to the required annual town meeting in 2006, there were five (5) special town meetings for a total of nine (9) evenings. In 2007 there were six (6) special town meetings in addition to the annual town meeting for a total of thirteen (13) evenings. Each town meeting requires a mailing, an advertisement and fourteen days notice.

Town meetings can only act on that which is placed on the warrant by the selectmen. Town meeting cannot alter the warrant or “agenda” in any way after the warrant has been closed. Thus, the opportunity and scope of the legislative process is pre-established through the warrant process. We believe that these inherent

limitations on the Saugus Town Meeting provide no benefit to the community, particularly when there are scarce or limited resources.

Former and current town meeting members have consistently shared their lack of understanding of the complexities of municipal finance that consists of recap sheets, revenue projections, revolving accounts, enterprise budgets and bond schedules. The majority of them do not attend the meetings of the finance committee, perhaps because they have great confidence in the work of that committee.

The members of the smallest town meeting are also exempt from the conflict of interest statute, [Chapter 268A](#). Current and former officials as well as citizens have consistently criticized participation of town meeting members who have a financial interest in the matters before them. Although the members of the Saugus Town Meeting are exempt from the conflict statute and can vote on matters in which they have a financial interest in, the nine members of the finance committee who recommend financial matters are subject to the requirements of this law.

IV. FINANCE COMMITTEE, APPROPRIATION, BUDGET

The charter commission recognizes and accepts the fiscal constraints by which the Town of Saugus is operating under. Because of such constraints the need is all that greater to provide the citizens with a budget process that is far more inclusive, deliberative and open. The Saugus Charter Commission believes that the evidence shows there is a lack of financial checks and balances in our current structure of government.

As previously stated there are inhibitions on the role of elected officials in the budget process. This is exemplified by the limited fifteen-day opportunity the selectmen have to deliberate on the budget as well as the tardy arrival of the budget to town meeting for consideration and adoption.

Although the current charter allows the finance committee to have rights of discovery to financial data and information, we have learned that those rights are largely exercised through requests made to the town manager. The finance committee does not have the services of an independent support resource to provide research and corroboration of claims, suppositions and assumptions that are the basis of line items and budgets. The finance committee was unable to witness the evidence of the deficit in the medical trust account as well as the evidence for the deficit in the Kasabuski Arena enterprise account. In spite of a requirement to provide “each household” with the report of the finance committee, this has not taken place for at least several decades.

The charter commission heard sound and compelling arguments about the benefits of having budgets developed and recommended by persons outside of the political realm who are selected based on their training and background in management, business or finance. Yet Saugus has not benefited from a fiscal model that relies largely on appointed expertise as evidenced by year over year general operating, trust and enterprise fund deficits as well a declining bond rating and the close scrutiny of the Massachusetts Department of Revenue.

Several instances of spending public funds without appropriation, including the landfill revolving account, Chapter 90 highway funds, and end of year supplemental

appropriations to cover over expenditures have been documented. At present [external authority over of the town's finances by the Department of Revenue](#) is exerted far more than any authority over the town's finances by the finance committee and town meeting.

Upon adoption of a budget there is no established process or practice of post appropriation oversight. Although there is a six month budget review performed by the finance committee, there is not a process of ongoing communication between and among elected and appointed officials about budget monitoring and budget performance. Nor is there a requirement for a public hearing or presentation by either the manager or the selectmen on the budget they will recommend to town meeting. The [most recent management letter](#) by the town's outside auditor, Melanson & Heath, has revealed a *significant deficiency* in the area of internal financial controls. They have recommended that the town establish an [internal audit function](#) to address this deficiency.

V. TOWN MANAGER

The Saugus Town Manager is appointed and removed by a super majority (4/5) of the selectmen. The town manager is hired for a term of years that has been defined by town counsel as any period in excess of twelve months. The position of Saugus Town Manager is considered to be a “strong” town manager format.

The current charter allows the Saugus Town Manager to reorganize departments, lease public property, nominate candidates for boards and commissions, transfer non-segregated funds within a budget, purchase goods and services, hire and supervise employees and department heads. There is no requirement for evaluation and review

of the town manager nor is there a requirement that the town manager develop goals, plans or capital improvement planning for the town. The lack of review of the performance of a town manager also makes it difficult for any town manager to establish a review process for department heads. Why should he develop goals if his performance is not measured? How can a town manager require of staff that which he is exempt?

We have heard mixed reactions from town managers about their appreciation, or lack of appreciation, when selectmen make inquiries of them. Some town managers feel they are being micro-managed or interfered with while others have shared their belief that ongoing communication with the appointing authority has been beneficial. One town manager felt comfortable communicating through the chairman while two others indicated they contacted each selectman individually. The testimony of former selectmen also demonstrates the inconsistent nature of communication and the variance that exists among managers. We believe that the lack of specified accountability as well as established protocols for an open communication process does not serve to the benefit of the community.

We believe that the super majority requirement for the termination of the town manager does not benefit the town. The indeterminate term of office, a lack of review, and lack of requirement for the development of plans / reports by the town manager can and has resulted in town managers that need not account for actions or decisions. A lack of process for holding any manager accountable along with a super majority vote for termination can easily result in a minority of selectmen having a disproportionate amount of authority.

The current charter is vague on the appointment process of a temporary town manager. It does not specify the required number of votes necessary nor does it specify the duration of term. Yet, the temporary town manager has the same authority and powers of the permanent town manager. In one recent instance a candidate for town manager who had the support of three selectmen, but not a fourth, was made temporary town manager. He functioned in this position until the fourth vote could be obtained. We believe that this illustrates both evidence and opportunity for the position of temporary town manager to be used to avoid the challenge on gaining a super majority vote. We believe the lack of specificity regarding the position of temporary town manager does not serve to benefit the community.

VI. APPOINTED BOARDS, COMMISSIONS, AND HUMAN RESOURCES

Service delivery to the citizens of Saugus would not be possible without town employees. A highly trained, accountable and fairly compensated workforce is an important feature for any government.

The oversight and coordination of the human resources functions are vested in the position of the town manager. Most of these functions are delegated to a full time personnel administrator who has responsibilities for insurance, vehicle inventories, job postings, employee intake and health insurance. An outside consultant has recently updated salary rate comparisons and job descriptions. Other than the school department and the library director, department heads and employees do not have job targets or goals nor are they evaluated. Coordinated training rarely takes place. Department heads have access to seminars and networking type trade groups.

Employee training and development is virtually nonexistent. We believe that the human resource function and responsibility should continue to be attributable to executive leadership. There should also be more direct accountability for the management and effectiveness of human resource activities.

In at least one area we believe there should be specific qualifications. For the next superintendent of public works we believe that minimum qualification of background in civil engineering would best serve the town. The complexities and challenges of wastewater collection, water delivery systems and plan review will become more pronounced in coming years. The next superintendent of public works should be an engineer.

Water and sewer rate setting and policy is currently spread between two elected bodies. Town meeting is the water commission and the selectmen are the sewer commission. The finance committee examines water rates. The finance committee does not examine sewer rates. Inconsistencies in rate structures as well as the reliance of the town meeting for executive proposals on water policy are not in the best interest of the community. Throughout our investigation we heard universal support for having one body establish rates and policy for water and sewer services.

For boards appointed directly by the selectmen there should be an established process of communication relative to the expectations and mission of said boards and commissions. We believe that there should be less ambiguity about the role of the library trustees particularly when the current charter specifies that the town manager is precluded from the supervision and direction of the trustees. The most recent amendments to the charter relative to the cemetery commission being directly

appointed by the selectmen illustrates that elected officials can make direct appointments to policy making boards. We believe that the role of the tree warden and the inclusion of the tree committee in a proposed charter should be examined. We have also been requested to investigate a charter provision that would set the maximum number of constables that should be allowed in Saugus.

We heard mixed feelings about the issue of residency for employees and the town manager yet no charter commissioner felt a lack of a residency requirement for professional staff is a problem. Confusion over a possible residency requirement for the town clerk should be resolved. Because the town clerk is a member of the board of registrars and because the current charter requires that all board members be Saugus residents, it could be argued that the town clerk must be a Saugus resident. We believe that the matter of residency for town employees or department heads who may serve on boards and commissions should be addressed to avoid confusion.

We are also concerned that the current ethics provision found in Article 2, Section 33 is outdated and inconsistent with state statutes as well as best practice. We believe the community will benefit from a clearer ethics clause for town employees and appointees.